

**THE EFFECTIVE DATE OF THIS ORDINANCE IS APRIL 26, 2005**

**ORDINANCE NO. 05-05-366**

RE: Amendment of the Rehabilitated Vacant Commercial Structures Tax Credit

**PREAMBLE**

State law authorizes the Board of County Commissioners ("Board") to grant a real property tax credit to certain vacant structures rehabilitated under regulations adopted by the Board. Annotated Code of Maryland, Tax-Property Article, Section 9-236.

Pursuant to such authority, on February 15, 2005, the Board enacted a Rehabilitated Vacant Commercial Structures Tax Credit intended to encourage capital reinvestment and revitalization of certain existing vacant commercial structures throughout Frederick County.

The Board now desires to clarify this Rehabilitated Vacant Commercial Structures Tax Credit.

A duly advertised public hearing on this proposed Ordinance was held by the Board on April 26, 2005. The public had an opportunity to comment on the proposed Ordinance at this public hearing.

NOW THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF FREDERICK COUNTY, MARYLAND, that Section 1-8-303 of the Frederick County Code is hereby amended to read as follows:

Section 1-8-303.

- (A) This real property tax credit shall be known as the rehabilitated vacant commercial structures tax credit and is authorized, and subject to, the provisions set forth in the Annotated Code of Maryland, Tax Property Article, Section 9-236.
- (B) To be eligible to participate in this program, a vacant structure (sometimes hereafter referred to as "property" or "properties") may be located anywhere within Frederick County, assuming the following qualifying requirements are satisfied.

- (C) To qualify for a rehabilitated vacant commercial structures tax credit, a structure must meet the following requirements:
- (1) The structure must be used, or have been used, for non-residential purposes and be located in a zone permitting commercial or industrial use.
  - (2) A single occupant structure must have been completely vacant for a period of not less than 18 of the previous 24 months prior to THE COMMENCEMENT OF rehabilitation [and] OR application for this REHABILITATED vacant commercial structures tax credit.
  - (3) A multiple tenant structure, such as but not limited to a shopping center, may qualify if the portion of the structure to be rehabilitated is vacant and actively listed for lease or sale with a commercial broker for a period of not less than 18 of the previous 24 months prior to the commencement of rehabilitation [and/]or application for this REHABILITATED vacant commercial structures tax credit.
  - (4) Only rehabilitation of existing structures is eligible – new construction is not eligible.
  - (5) The structure (whether a single occupant building or a multiple tenant structure) must have been constructed before the year 2000.
  - (6) Where a structure is being used, or has been used, for both residential and non-residential use, and the structure otherwise qualifies, this rehabilitated vacant COMMERCIAL structures tax credit shall only be available for the rehabilitated non-residential portion of the structure.
- (D) Qualifying structures shall not be eligible for the REHABILITATED vacant commercial structures real property tax credit for longer than seven (7) consecutive years after first qualifying for this property tax credit. The first tax year the tax credit shall become available for a qualifying structure shall be the first tax year in which its county property taxes would otherwise have increased due to the qualifying rehabilitation project (the “first tax year”). The last tax year this county property tax credit shall be available shall be the sixth tax year that follows the first tax year.

- (E) The amount of this tax credit will be calculated based upon the schedule set forth below upon completion of the construction of the rehabilitation project:

Tax credit schedule			
Years	Based on cost of rehabilitation project / change in assessed value		
	< \$1.0 million	\$1.0 to \$4.0 million	> \$4.0 million
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	80%	100%	100%
5	60%	75%	100%
6	40%	50%	66%
7	20%	25%	33%
8	0% exempt	0% exempt	0% exempt

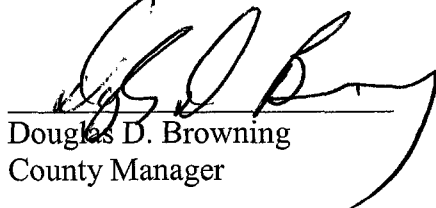
- (F) Projects that begin rehabilitation construction after December 31, 2009 shall not be eligible for tax credits under this program. Qualifying properties that have been accepted into this tax credit program before December 31, 2009, shall continue to receive those tax credits as provided for above, assuming the properties otherwise remain eligible for this program.
- (G) The amount of a tax credit granted under this REHABILITATED vacant commercial structureS tax credit may not exceed the property tax increase attributable to the increase in the assessment of the real property over the assessment before the real property is rehabilitated. This property tax credit will be determined based upon the lesser of:
- (1) The increase in the assessed value of the property attributable to the rehabilitation project, over the assessed value before the property was rehabilitated; or
  - (2) The cost expended for the rehabilitation project.
- (H) The owners of otherwise qualifying properties shall provide pedestrian and vehicular connections to adjacent commercial properties acceptable to the Board of County Commissioners of Frederick County; failure to do so at anytime shall render a property ineligible for continued participation in this tax credit program.

- (I) This property tax credit shall be a credit only from the County real property tax imposed pursuant to Maryland Annotated Code Tax-Property Article Section 6-202 and shall not be a credit from any special taxing district tax including, but not limited to tax for fire and rescue services, imposed pursuant to Maryland or Frederick County law.
- (J) Property owners shall file annually (on or before April 30 of each calendar year) an application for the tax credit allowed under this provision with the county manager; failure to do so shall mean that an otherwise qualifying property shall not be entitled to receive this tax credit for the following tax year (July 1 through June 30).


AND BE IT FURTHER ENACTED AND ORDAINED that this Ordinance shall take effect on April 26, 2005.

The undersigned hereby certifies that this Ordinance was approved and adopted by the Board of County Commissioners on the 26th day of April 2005.

ATTEST:

  
Douglas D. Browning  
County Manager

BOARD OF COUNTY COMMISSIONERS  
OF FREDERICK COUNTY, MARYLAND

  
John L. Thompson, Jr.  
President

R. J. M.  
4-26-05